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Environment statistics

London Group on Environmental Accounting

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the London Group on Environmental Accounting, which is contained in the annex. The report summarizes the progress on the revision of the System of Integrated Environmental and Economic Accounting (SEEA) and presents the planned future work programme.

The Commission is requested to review the proposed revision process for SEEA and the schedule of activities outlined in its report. The Commission is also invited to discuss whether the mandates of the Group are focused and whether its objectives are clear and attainable. The Commission may also wish to comment on the proposals for future work.

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Annex

Report of the London Group on Environmental Accounting

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I. Introduction

1. The United Nations published a handbook on the System of Integrated Environmental and Economic Accounting (SEEA) entitled *Integrated Environmental and Economic Accounting: Interim Version* in 1993.[a] In 1997, the Statistical Commission requested the London Group on Environmental Accounting to undertake a revision of the handbook. The purpose of the present report is to provide the Statistical Commission with information on:

(a) The steps taken to date with respect to the revision of the SEEA handbook;

(b) The objectives of the revised SEEA handbook (SEEA-2000);

(c) The process for consulting and communicating with the broader international community during the revision process;

(d) The steps remaining in the revision process;

(e) The roles and responsibilities of each of the principal participants in the revision process: the members of the London Group, the London Group Coordinating Committee, chapter coordinators, the Editor and the international agencies who will jointly publish SEEA-2000.

2. The London Group Coordinating Committee comprises the Australian Bureau of Statistics, as most recent host of the Group; the Statistical Office of the European Communities (Eurostat); Statistics Netherlands, as next host of the Group; the Organisation for Economic Cooperation and Development (OECD); Statistics Canada, as secretariat of the Group; the United Nations Statistics Division; and the World Bank.

3. The SEEA-2000 chapter coordinators are:

(a) Rocky Harris (United Kingdom Office of National Statistics):

Chapter 1. Introduction;

(b) Alessandra Alfieri (United Nations Statistics Division):

Chapter 2. Asset Accounts;

(c) Mark de Haan (Statistics Netherlands):

Chapter 3. Physical Flow Accounts;

(d) Alan Brown (United Kingdom Department of Environment, Transport and the Regions):

Chapter 4. Environmental Expenditure Accounts;

(e) Anton Steurer (Eurostat):

Chapter 5. Valuation and Monetary Accounts;

(f) Anne Harrison (OECD Statistics Directorate):

Chapter 6. Applications and Policy Uses.

4. The SEEA-2000 Editor is Anne Harrison (OECD Statistics Directorate).

5. The international agencies that will jointly publish the SEEA-2000 are Eurostat, OECD, the United Nations and the World Bank.

II. SEEA revision process to date

6. In 1997, the United Nations Statistics Division invited the London Group to participate in the revision process at a meeting held at Ottawa, and Statistics Canada became secretariat of the Group.

7. In 1998, the London Group agreed on an outline for SEEA-2000 at its May meeting held in France. Coordinators and working groups were identified to draft the material for each of the six chapters. The London Group Coordinating Committee, comprising the United Nations Statistics Division, OECD, Eurostat, Statistics Canada (as secretariat) and the Australian Bureau of Statistics (as host of the 1999 meeting) was established. Drafting of chapter outlines began immediately after the meeting.

8. In 1999, the United Nations Statistics Division wrote to the heads of Eurostat and the statistical offices of OECD and the World Bank to invite them to co-author SEEA-2000. Drafting of chapters continued, slowly at first and then more actively in August through October. Progress was slower than hoped for in some areas and some members were not able to play as active a role as they would have wished due to other commitments. Experience showed that e-mail discussions alone were not enough to achieve quick progress. In response to these difficulties, Statistics Canada (as secretariat of the Group) wrote to the head of national and international statistical offices

requesting financial support for an Editor of SEEA-2000. Anne Harrison of OECD was proposed for this role. National statistical offices were also asked to reaffirm their commitment to release staff to work on the SEEA revision. The majority of members agreed to the appointment of Anne Harrison as Editor and agreed to fund her position. Statistics Canada wrote to OECD on the Group's behalf, accepting Anne Harrison as editor for the SEEA revision. Statistics Canada wrote again to the national and international agencies, requesting them to make the necessary arrangements to transfer funds to OECD to finance Ms. Harrison's position. The London Group met at Canberra from 15 to 19 November to discuss progress on the SEEA revision, with the following outcomes:

(a) Commitments from individuals to continue providing a high level of expertise and input to the drafting process were reaffirmed;

(b) Agreement was achieved on the structure of SEEA-2000;

(c) A better understanding of what progress had been made and what issues were outstanding was arrived at;

(d) Agreement on the processes that should be followed during the remainder of the revision and the roles and responsibilities of the various parties was arrived at.

III. Objectives of SEEA-2000

9. It is envisaged that SEEA-2000 will be an internationally agreed handbook on best practices rather than an international standard. It is intended to be submitted by the London Group to the Statistical Commission at its thirty-second session in 2001, and upon the Commission's approval of the revision process, SEEA-2000 will be jointly published by the United Nations, OECD, Eurostat and the World Bank in mid-2001.

10. SEEA-2000 will:

(a) Mainly present conceptual guidance on compiling integrated environment-economy accounts but also offer sufficient practical guidance (including likely data sources) on how to compile an account and on how to produce derived data;

(b) Use worked examples to aid in explaining complex issues;

(c) Present as far as possible harmonized and standardized approaches, concepts and definitions drawn from the results of country experiences;

(d) Provide alternative approaches in those cases where consensus cannot be reached;

(e) Be suitable for use by national accountants wishing to do environmental satellite accounts or environment statisticians wishing to put their data into an accounting framework;

(f) Show links between the accounting tools and policy uses;

(g) Be as much as possible a stand-alone document, with references to the System of National Accounts, 1993; the original SEEA handbook; the SEEA operational manual; the manual of the European System for the Collection of Economic Information on the Environment on environmental expenditure accounting; and other existing manuals, where relevant;

(h) Contain agreed terminology (in a glossary) and classifications.

IV. SEEA-2000 consultation and communication strategy*

11. The London Group recognizes the need to consult and communicate with the broader international community throughout the SEEA revision process. In the absence of adequate consultation and communication, SEEA-2000 will lack credibility with the international community. An objective of the strategy should be to minimize the possibility of late-arising, divergent views about substantive matters; once the SEEA-2000 is tabled to the Statistical Commission, it should already be internationally agreed upon to the greatest extent possible.

* Note that the steps in the consultation and communication strategy reviewed in the present section are also included under section V, "Steps remaining in the revision process"; the consultation and communication strategy is reviewed separately here in recognition of its fundamental role in ensuring the credibility of the revision process.

12. It should be noted that six additional countries from Latin America and Asia were invited to join the London Group as permanent members in 1999. With the addition of those new members, the London Group now includes the most active countries and organizations in environmental accounting around the world. Thus, many of the international stakeholders likely to have a strong interest in SEEA-2000 are directly involved in its production through the London Group.

13. The consultation and communication strategy will follow the schedule outlined below:

November 1999-April 2000

- The Coordinating Committee will draft a formal statement outlining the consultation and communication strategy and ensure that this is distributed widely among the international community.
- Where possible, individual members of the London Group will place links from their institution's web site to the London Group web site.
- An editorial will be placed in the United Nations Statistics Division newsletter discussing SEEA-2000 and outlining the consultation and communication strategy.
- Individual experts in non-London Group countries and organizations whose input is felt to be of particular importance will be contacted directly and invited to provide comments on the draft chapters.

20 April 2000

- Following the submission of final draft chapters to the coordinating committee on 31 March, and after a reasonable delay to allow the coordinating committee to meet and discuss them, the draft chapters will be placed on the London Group web site on 20 April. They will be available for comment to the general public as outlined below.

20 April 2000-20 June 2000

- First-round public comments on the draft chapters will be accepted until 20 June 2000.
- Those wishing to submit comments will be invited to send them to Statistics Canada (London Group secretariat).
- At a minimum, all submissions will be acknowledged with a letter thanking the contributor for his/her input. In instances where unambiguously correct comments are received, these will simply be absorbed into chapter drafts and contributors thanked for their input. Other submissions will require more elaborate responses explaining why only part (or none at all) of contributors' suggestions have been incorporated into the draft.
- The Coordinating Committee will oversee the process of responding to submissions received from the public.

Mid-2000

- Regional workshops will be co-organized by the United Nations Statistics Division. These will provide an occasion for developing countries not directly involved in the revision process to comment on SEEA-2000.

31 July 2000

- A draft version of the complete SEEA-2000 will be placed on the London Group web site on 31 July. This version will supersede the draft chapters placed on the web site on 20 April.
- Public comment will be welcomed on this draft until 31 September. The process for accepting public comment in the second round will be the same as that for the first round outlined above.
- This version of the draft will be discussed at end-August at a meeting of the International Association for Research in Income and Wealth as outlined below.

End-August 2000

- A session on SEEA-2000 chaired by the Editor, Anne Harrison, will be held at a meeting of the International Association for Research in Income and Wealth at the end of August. This will provide the professional and academic national accounting community with a formal opportunity to review and comment on SEEA-2000. The version of the SEEA-2000 discussed at the

meeting will be that posted to the London Group web site on 31 July.

End-October 2000

- The draft SEEA-2000, along with a report outlining any remaining outstanding issues arising from the consultation process, will be provided for comment to the Intersecretariat Working Group on National Accounts near the end of October 2000.

March or April 2001

- The final step in the consultation and communication strategy will be a United Nations expert group meeting at a location to be determined. This will provide a final opportunity for the international community to comment on SEEA-2000.
- Participation at this meeting will include selected members of the London Group as well as invited experts from national statistical agencies, international agencies and NGOs.

V. Steps remaining in the revision process

14. The steps remaining in the SEEA revision process are outlined below. The suggested timetable is ambitious and its success depends on:

(a) A strong commitment from all involved;

(b) A strong focus on the highest priority areas;

(c) A willingness by all concerned to compromise and to restrict the document to areas in which theory (and to a lesser extent practice) are well developed and agreed.

Completion of draft chapters: November 1999-March 2000

15. Working groups will continue drafting chapters. The Coordinating Committee and the Editor will steer the work to ensure that progress is good and that problems are resolved. Chapter coordinators will hand over finished drafts to the Editor no later than 31 March 2000. At this point, the major contribution to the SEEA revision by most London Group members will be complete. The remaining work will fall mainly to the Coordinating Committee, the chapter coordinators and the Editor.

Meeting to discuss progress: 10-12 April 2000

16. The Coordinating Committee, the Editor and (if necessary) chapter coordinators will meet at World Bank headquarters at Washington, D.C., to discuss what has been achieved and what, if anything, is still needed before the Editor can proceed to produce the first draft of the complete handbook. If necessary, requests for additional drafting by individual members will be made.

Draft chapters placed on London Group web site for first round of public comment: 20 April 2000

17. Statistics Canada (as the Group's secretariat) will place date-stamped versions of all draft final chapters on the London Group web site for public comment.

Deadline for submission of first-round public comments: 20 June 2000

18. Public comments will have to have been received by 20 June if they are to be taken into consideration in drafting the next version of handbook (for details on the process by which those comments will be received and considered, see para. 13 above).

Editor drafts first version of complete SEEA-2000 handbook: mid-April to end-July 2000

19. The Editor will work on the draft chapters provided at end-March over the following months to complete a draft of the complete SEEA-2000 handbook by 31 July. That draft will be placed for public access on the London Group web site (superseding the draft chapters placed on the web site on 20 April). The public will be invited to submit comments on this draft. Submissions will be welcomed until 31 September. This draft will be the basis of discussion in a session at the meeting of the International Association for Research in Income and Wealth, as set out below.

IARIW meeting, Krakow, Poland: 28 August-1 September 2000

20. A session on SEEA-2000 will be held at the International Association for Research in Income and Wealth (IARIW) meeting at the end of August. At least some members of the Coordinating Committee will

attend the session, which will be chaired by SEEA-2000 Editor, Anne Harrison. The purpose of the session will be to provide the professional and academic national accounting community with an opportunity to review and comment on SEEA-2000. Three internationally recognized national accountants will be invited to introduce the discussion by presenting their written comments on SEEA-2000. After extensive open discussion, four members of the London Group will respond to the points raised on behalf of the Group.

21. Following the meeting, the Editor will prepare a summary of comments received during the IARIW session to be incorporated in the final draft of SEEA-2000. That summary will be available at the London Group meeting to be held in the Netherlands in October 2000.

Deadline for submission of second-round public comments: 31 September 2000

22. Second-round public comments will have to have been received by 31 September if they are to be taken into consideration in drafting the final version of the handbook (for details on the process by which comments will be received and considered, see para. 13 above).

London Group meeting, Voorburg, the Netherlands: 16-20 October 2000

23. A London Group meeting will be convened in the Netherlands to review the final draft of SEEA-2000. Once the Group has agreed on the handbook, the contribution of individual members of the London Group to the revision process will be essentially over. The responsibility for completing the process will then rest mainly with the international agencies and the Editor, with continued assistance from the Coordinating Committee.

Review of SEEA-2000 by the Intersecretariat Working Group on National Accounts: end-October 2000

24. The draft SEEA-2000, along with a report outlining any remaining outstanding issues arising from the consultation process, will be provided for comment to the Intersecretariat Working Group on National Accounts following the Voorburg meeting in late October 2000.

Editor works to finalize handbook: November 2000-February 2001

25. The Editor will work to complete the final London Group version of SEEA-2000, in collaboration with the international agencies and the Coordinating Committee and taking into consideration comments from the regional workshops, the IARIW meeting, the Netherlands meeting and any outstanding written submissions.

London Group presents SEEA-2000 to Statistical Commission: February 2001

26. The London Group will submit the final English version of SEEA-2000 as a background document to the Statistical Commission at its thirty-second session, in 2001. A statement of what remains to be done in the revision process will also be submitted. The Commission will be asked to approve the revision process to date and to agree with the intention that the international agencies proceed to publish the handbook in mid-2001 following a United Nations expert group meeting in March or April 2001.

27. Following the Statistical Commission meeting, the London Group's role in the SEEA revision process will end for all practical purposes. The remaining steps will be the sole responsibility of the international agencies.

United Nations expert group meeting: March or April 2001 (location to be determined)

28. A United Nations expert group meeting (including some London Group members) will be held to provide a final opportunity for the international community to comment on SEEA-2000. The meeting will comprise a somewhat wider attendance than the London Group to assure the international agencies that all countries have been adequately consulted.

Manual finalized for publication: May-August 2001

29. Following the expert group meeting, the international agencies will see to it that any requests for changes arising from the meeting are addressed. The agencies will oversee the publication of the final manual. It is hoped that SEEA-2000 will not require revision for at least five years following publication.

VI. Roles and responsibilities

London Group on Environmental Accounting

30. The London Group has been entrusted by the Statistical Commission with producing SEEA-2000. The final document will be presented as a room document at the thirty-second session of the Statistical Commission, in 2001. After that meeting, the London Group's formal responsibilities for the SEEA revision will end and the international agencies will finalize the publication process. Member countries and institutions of the London Group are providing the individual expertise contributing to the drafting of SEEA-2000. In addition, member countries of the London Group have contributed the necessary funding to engage the Editor, who will be essential in finalizing the handbook in a timely fashion.

Chapter coordinators and working groups

31. The primary responsibility of the chapter coordinators and working groups is to produce the draft chapter texts that will be used by the Editor in compiling the final handbook. In so doing, they will work closely with the Editor and the Coordinating Committee.

Coordinating Committee

32. The Coordinating Committee's primary responsibility will be to oversee the work towards the completion of the London Group version of SEEA-2000 and ensure its timely completion. It will meet face-to-face, as necessary, to facilitate its work. It will take decisions, in cooperation with the Editor and the chapter coordinators (and individual authors when necessary), on outstanding issues related to the handbook. It will ensure that the international community has adequate opportunity to comment on SEEA-2000.

SEEA-2000 Editor

33. Anne Harrison has been engaged to act as Editor for SEEA-2000. She will be occupied for approximately 12 months over a period of approximately 18 months, beginning in late 1999. It will be the Editor's role to work cooperatively with the Coordinating Committee and chapter coordinators to:

(a) Ensure the availability of draft texts on a timely basis;

(b) Clarify language, where necessary, and prepare a glossary;

(c) Work closely with the chapter coordinators and other London Group members to achieve consensus on sensitive matters;

(d) Transform chapter drafts into a cohesive handbook following the schedule outlined in paragraphs 13 and 15 to 29 above;

(e) Ensure that the final draft fairly reflects the views of all London Group members;

(f) Provide regular progress reports to the London Group and to the heads of all member agencies.

34. In the event that gaps are identified in the handbook and there is no London Group member available to draft the required text, the Editor will do so, in cooperation with the Coordinating Committee and the relevant chapter coordinator.

International agencies

35. The international agencies will publish SEEA-2000. It is therefore primarily their responsibility to ensure that the handbook reflects international opinion, even if the London Group actually facilitates much of the consultation.

36. Once the London Group has submitted its version of SEEA-2000 to the Statistical Commission at its thirty-second session, in 2001, the responsibility for seeking final international sign-off on the handbook will rest with the international agencies. As described in paragraphs 13, 28 and 29 above, this will be done through an expert group meeting to be held in March or April 2001.

37. Once final international sign-off has been obtained, it will be the international agencies' responsibility to coordinate the final steps in the publication of the handbook (translation, printing, dissemination, copyright etc.).

VII. Points for discussion

38. The Commission is requested to review the proposed SEEA revision process and the schedule of activities outlined in the report.

39. The Commission is also invited to discuss whether the mandates of the Group are focused and whether its objectives are clear and attainable. The Commission may also wish to comment on proposals for future work.

Notes

[a] Studies in Methods, Series F, No. 61 (United Nations publication, Sales No.E.93.XVII.12).